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6 UNITED STATES DISTRICT COURT
7 WESTERN DISTRICT OF WASHINGTON
8 AT TACOMA

9 CHARLES S. BROOKS,
10 Plaintiff,
11 v.
12 CAROLYN W. COLVIN, Acting
13 Commissioner of Social Security,
14 Defendant.

8
9 CASE NO. 3:15-CV-05207-DWC
10 ORDER ON PLAINTIFF'S COMPLAINT

14 Plaintiff, Charles S. Brooks, filed this action, pursuant to 42 U.S.C. § 405(g), seeking
15 judicial review of the denial of Plaintiff's applications for Supplemental Security Income ("SSI")
16 and Disability Insurance Benefits ("DIB"). The parties have consented to proceed before a United
17 States Magistrate Judge. *See* 28 U.S.C. § 636(c), Fed. R. Civ. P. 73 and Local Magistrate Judge
18 Rule MJR 13. *See also* Consent to Proceed before a United States Magistrate Judge, Dkt. 6.

19 After reviewing the record, the Court concludes the Administrative Law Judge ("ALJ")
20 erred in evaluating the opinions of two of Plaintiff's treating therapists. Therefore, this matter
21 must be reversed and remanded pursuant to sentence four of 42 U.S.C. § 405(g) for further
22 proceedings.

1 **FACTUAL AND PROCEDURAL HISTORY**

2 On September 2, 2011, Plaintiff filed applications for DIB and SSI, alleging disability as of
 3 January 1, 2010. *See* Dkt. 9, Administrative Record (“AR”) 71, 86. The applications were denied
 4 upon initial administrative review and on reconsideration. *See* AR 85, 100, 118, 135. A hearing
 5 was held before ALJ Jo Hoenninger on July 12, 2013. *See* AR 37-68. In a decision dated July 24,
 6 2013, the ALJ determined Plaintiff to be not disabled. *See* AR 12-27. Plaintiff’s request for review
 7 of the ALJ’s decision was denied by the Appeals Council, making the ALJ’s decision the final
 8 decision of the Commissioner of Social Security (“Commissioner”). *See* AR 1-7; 20 C.F.R. §
 9 404.981, § 416.1481.

10 Plaintiff argues the ALJ erred by: (1) improperly evaluating his testimony; (2) improperly
 11 evaluating the medical evidence from examining physician Maria Nelson, M.D., examining
 12 psychologist Scott Alvord, Psy.D., and unnamed reviewing agency consultants; (3) improperly
 13 evaluating lay evidence from Jodi Oliver, ARNP, Jessica Webb, P-ARNP, Nancy Pascua, ARNP,
 14 Ryan Lehotay, MA, LMHC, and Misty Holley; (4) failing to find he equaled Listing 12.04B or
 15 12.04C; and (5) improperly assessing his residual functional capacity (“RFC”) and basing the step
 16 five finding on an incomplete RFC. Dkt. 16, p. 1. Plaintiff also claims new evidence submitted to
 17 the Appeals Council supports reversal of the decision. Dkt. 16, p. 2.

18 **STANDARD OF REVIEW**

19 Under 42 U.S.C. § 405(g), this Court may set aside the Commissioner’s denial of social
 20 security benefits if the ALJ’s findings are based on legal error or not supported by substantial
 21 evidence in the record as a whole. *Bayliss v. Barnhart*, 427 F.3d 1211, 1214 n.1 (9th Cir. 2005)
 22 (*citing Tidwell v. Apfel*, 161 F.3d 599, 601 (9th Cir. 1999)). “Substantial evidence” is more than a
 23 scintilla, less than a preponderance, and is such “relevant evidence as a reasonable mind might

1 accept as adequate to support a conclusion.”” *Magallanes v. Bowen*, 881 F.2d 747, 750 (9th Cir.
 2 1989) (*quoting Davis v. Heckler*, 868 F.2d 323, 325-26 (9th Cir. 1989)).

3 **DISCUSSION**

4 I. **Whether the ALJ Properly Evaluated the Lay Opinion Evidence.**

5 A. **Standard**

6 Lay testimony regarding a claimant’s symptoms “is competent evidence that an ALJ must
 7 take into account,” unless the ALJ “expressly determines to disregard such testimony and gives
 8 reasons germane to each witness for doing so.” *Lewis v. Apfel*, 236 F.3d 503, 511 (9th Cir. 2001);
 9 *Turner v. Comm’r of Soc. Sec.*, 613 F.3d 1217, 1224 (9th Cir. 2010). In rejecting lay testimony, the
 10 ALJ need not cite the specific record as long as “arguably germane reasons” for dismissing the
 11 testimony are noted, even if the ALJ does “not clearly link his determination to those reasons,” and
 12 substantial evidence supports the ALJ’s decision. *Lewis*, 236 F.3d at 512.

13 As a threshold matter, Plaintiff argues the opinions of the nurse practitioners and therapists
 14 in the records are entitled to more deference than other lay witnesses; thus, the ALJ was required to
 15 offer at least specific and legitimate reasons to discount their opinions. Dkt. 16, p. 9. Nurse
 16 practitioners and therapists, however, are considered “other sources” under 20 C.F.R. §§
 17 404.1513(d)(1),(3), rather than “acceptable medical sources.” Thus, the ALJ only needed to
 18 provide arguably germane reasons to reject their testimony. *Turner*, 613 F.3d at 1224; *Lewis*, 236
 19 F.3d at 511. Nonetheless, “other” medical sources are able to provide evidence about “the severity
 20 of [Plaintiff’s] impairment(s) and how it affects [Plaintiff’s] ability to work.” 20 C.F.R. §
 21 404.1513(d). *See also Garrison v. Colvin*, 759 F.3d 995, 1023 (9th Cir. 2014). In fact, Social
 22 Security Rulings indicate other medical source opinions can outweigh the opinions of acceptable

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1 medical sources in some cases. *See Social Security Ruling (“SSR”) 06-03P, available at 2006 WL
 2 2329939.*

3 **B. Application of Standard**

4 *1. Jessica Webb, P-ARNP*

5 Ms. Webb completed a depressive disorder and anxiety disorder check box questionnaire
 6 on August 15, 2012. AR 421-27. She assessed marked restrictions in activities of daily living, and
 7 concentration, persistence, or pace, extreme limitations in social functioning, and extreme episodes
 8 of deterioration or decompensation. AR 423. Ms. Webb noted she had treated Plaintiff for over six
 9 months and his depression and anxiety had not improved despite medication compliance. AR 424.
 10 She also stated Plaintiff is “often suicidal and verbal about this.” AR 424.

11 The ALJ gave little weight to her opinions as “they are not accompanied by any narrative
 12 explanation or support, and are inconsistent with records that document relatively unremarkable
 13 mental status findings and improvement with treatment discussed below.” AR 16. Additionally, the
 14 ALJ noted Ms. Webb is not a recognized medical source under the social security guidelines. AR
 15 16.

16 An ALJ may “permissibly reject[] ... check-off reports that [do] not contain any
 17 explanation of the bases of their conclusions.” *Molina v. Astrue*, 674 F.3d 1104, 1111-12 (9th Cir.
 18 2012) (*quoting Crane v. Shalala*, 76 F.3d 251, 253 (9th Cir.1996)). However, while Ms. Webb did
 19 not provide a supporting explanation *within* her opinion, the record also contains forty-four pages
 20 of Ms. Webb’s treatment notes. AR 544-588. The ALJ’s failure to consider these treatment notes
 21 as support for Ms. Webb’s opinion was error. *See Garrison*, 759 F.3d at 1013-14 & n.17 (holding
 22 the ALJ erred by rejecting a treating nurse practitioner’s check-box opinion as unsupported, when
 23 the record contained the nurse practitioner’s treatment notes, and the treatment notes provided
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1 support for her opinion). Further, the ALJ's other reasons for discounting Ms. Webb's opinion
2 were not germane reasons supported by substantial evidence. Contrary to the ALJ's assertion, Ms.
3 Webb is a "recognized" medical source under Social Security regulations. 20 C.F.R. §
4 404.1513(d)(1). *See also* SSR 06-03P, available at 2006 WL 2329939 ("The term 'medical
5 sources' refers to both 'acceptable medical sources' and other health care providers . . .") The fact
6 Ms. Webb, a health care provider, is not an "acceptable medical source" does not alter her status as
7 a "medical source", nor does it prevent her from providing evidence on the severity of Plaintiff's
8 impairments or their affect on Plaintiff's ability to work. *See* 20 C.F.R. § 404.1513(d)(1). The ALJ
9 also indicated he was rejecting Ms. Webb's opinion because it was inconsistent with other medical
10 records, which reflect unremarkable mental status examinations and improvements with treatment.
11 *See* AR 16. However, the ALJ does not identify what records are actually inconsistent with Ms.
12 Webb's opinion, other than a general reference to records "as discussed below." AR 16. Further,
13 the ALJ does not explain how Ms. Webb's opinions concerning Plaintiff's social limitations are
14 inconsistent with "relatively unremarkable mental status examinations." AR 16. *See Garrison*, 759
15 F.3d at 1023 (noting the ALJ "manufactured a conflict" between a nurse practitioner's opinion and
16 other medical records "by identifying two or three reports of improvement in [Plaintiff's] mental
17 health and asserting, without reference to any other treatment records or any other explanation, that
18 [the nurse practitioner's] considered conclusions about [the claimant's] overall prognosis merited
19 little weight.").

20 As the ALJ failed to provide germane reasons, supported by substantial evidence, for
21 rejecting Ms. Webb's opinion, the ALJ erred. Further, as Ms. Webb opined to more severe
22 limitations than those contained in the ALJ's Step Three assessment and in the ALJ's RFC finding,
23 the Court cannot say the ALJ's rejection of Ms. Webb's opinion was "inconsequential to the
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1 ultimate nondisability determination.” *See Molina*, 674 F.3d at 1115-17. Thus, the ALJ’s failure to
2 provide germane reasons, supported by substantial evidence, for rejecting Ms. Webb’s opinion was
3 harmful error requiring remand.

4 2. *Ryan Lehotay, MA, LMHC*

5 Mr. Lehotay completed a depression and anxiety questionnaire and medical source
6 statement concerning Plaintiff’s ability to perform work-related activities. AR 433-37. Mr. Lehotay
7 noted depressive symptoms of anhedonia, appetite and sleep disturbance, guilt and worthlessness,
8 difficulty concentrating and thinking, and suicidal thoughts. AR 433. He also reported Plaintiff
9 showed mania, hyperactivity pressured speech, flight of ideas, and inflated self-esteem. AR 433.
10 Mr. Lehotay said Plaintiff suffered from panic attacks, irrational fear, and generalized anxiety
11 symptoms. AR 434. He rated moderate impairment in Plaintiff’s ability to understand, remember,
12 and carry out short, simple instructions, and make judgments on simple work related decisions. AR
13 436. Plaintiff had marked limitations in his ability to understand, remember, and carry out detailed
14 instructions, interact appropriately with the public, supervisors, and co-workers, and respond
15 appropriately to pressures and changes in a usual work setting. AR 436-37. Mr. Lehotay stated that
16 observations made during sessions and interactions with clinical staff indicate emotional lability
17 and unstable affect, irritability, and significant impairment in remembering and carrying out
18 instructions. AR 437. He also opined Plaintiff would have periods of decompensation. AR 437.

19 The ALJ rejected this opinion for reasons similar to, though distinct from, those discussed
20 above. The ALJ rejected Mr. Lehotay’s opinion because “he failed to provide any explanation or
21 justification for the limitations, which are not consistent with the longitudinal record [AR 433-35].
22 Moreover, [Mr. Lehotay is not a] recognized medical source[] under social security guidelines.”
23 AR 16. Later in the written decision, the ALJ also concludes Mr. Lehotay’s “records indicate that
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1 he assessed improvement in the claimant's condition, and fail to document any significant mental
 2 status findings or observations that would support the extent of the limitations assessed. In
 3 addition, the claimant's activities support greater functioning." AR 23.

4 As with Ms. Webb, Mr. Lehotay's status as an "other" medical source is not, by itself, a
 5 germane reason to discount his opinion. 20 C.F.R. § 404.1513(d)(1). Also, as with Ms. Webb, Mr.
 6 Lehotay's twenty-three pages of treatment notes provide support for his opined limitations. AR
 7 470-493. *See Garrison*, 759 F.3d at 1013-14 & n.17. As for the additional reasons the ALJ cites to
 8 discount Mr. Lehotay's opinion, they are not supported by substantial evidence. For example,
 9 contrary to the ALJ's analysis of Mr. Lehotay's records, Mr. Lehotay documented longitudinal
 10 regression in Plaintiff's condition, punctuated by sporadic, yet temporary, improvements. AR 470-
 11 493. Finally, the ALJ failed to identify which of Plaintiff's activities of daily living actually
 12 conflict with Mr. Lehotay's opinion, and otherwise failed to explain how any of Plaintiff's
 13 activities support greater functioning than Mr. Lehotay indicated. *See Burrell v. Colvin*, 775 F.3d
 14 1133, 1138 (9th Cir. 2014) . AR 436-37, 470-86. As with Ms. Webb, the ALJ's failure to provide
 15 germane reasons, supported by substantial evidence, for rejecting Mr. Lehotay's opinion was
 16 harmful error.

17 II. Whether the ALJ Provided Specific, Clear and Convincing Reasons, Supported by
Substantial Evidence, for Finding Plaintiff Not Fully Credible.

18 A. Standard

19 If an ALJ finds a claimant has a medically determinable impairment which reasonably
 20 could be expected to cause the claimant's symptoms, and there is no evidence of malingering, the
 21 ALJ may reject the claimant's testimony only "by offering specific, clear and convincing reasons."
 22 *Smolen v. Chater*, 80 F.3d 1273, 1284 (9th Cir. 1996) (*citing Dodrill v. Shalala*, 12 F.3d 915, 918
 23 (9th Cir.1993)). *See also Reddick v. Chater*, 157 F.3d 715, 722 (9th Cir. 1998). However, sole

1 responsibility for resolving conflicting testimony and questions of credibility lies with the ALJ.
2 *Sample v. Schweiker*, 694 F.2d 639, 642 (9th Cir. 1999) (*citing Waters v. Gardner*, 452 F.2d 855,
3 858 n.7 (9th Cir. 1971); *Calhoun v. Balar*, 626 F.2d 145, 150 (9th Cir. 1980)). Where more than
4 one rational interpretation concerning a plaintiff's credibility can be drawn from substantial
5 evidence in the record, a district court may not second-guess the ALJ's credibility determinations.
6 *Fair v. Bowen*, 885 F.2d 597, 604 (9th Cir. 1989). *See also Thomas v. Barnhart*, 278 F.3d 947, 954
7 (9th Cir. 2002) ("Where the evidence is susceptible to more than one rational interpretation, one of
8 which supports the ALJ's decision, the ALJ's conclusion must be upheld."). In addition, the Court
9 may not reverse a credibility determination where that determination is based on contradictory or
10 ambiguous evidence. *See Allen v. Heckler*, 749 F.2d 577, 579 (9th Cir. 1984). That some of the
11 reasons for discrediting a claimant's testimony should properly be discounted does not render the
12 ALJ's determination invalid, as long as that determination is supported by substantial evidence.
13 *Tonapetyan v. Halter*, 242 F.3d 1144, 1148 (9th Cir. 2001).

14 **B. Application of Standard**

15 Plaintiff testified that he experiences extreme anxiety. AR 49. He does not want to leave
16 his house or be seen by anybody. AR 55. He has difficulty with memory, concentration, and poor
17 judgment. AR 56-57. He estimated he can sit or stand for no more than 30 minutes. AR 57. He
18 experiences pain in his right wrist, elbow, and shoulder so severe, if he used a screw driver for a
19 short period of time his "wrist would be shot to the point where [he] can't open a water bottle for a
20 few days." AR 57. If he writes more than a paragraph his fingers go numb and his wrist hurts. AR
21 58. Also, he has right shoulder pain often requiring him to rest his right arm in crook of other arm.
22 AR 57-58.

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1 Plaintiff argues the ALJ failed to offer clear and convincing reasons, supported by
 2 substantial evidence, for discounting his testimony. But, the ALJ cited Plaintiff's conservative
 3 treatment history for his neck, shoulder and hand impairments, as well as inconsistencies between
 4 Plaintiff's testimony and the medical records. AR 18 326-28, 364-71, 399-400. The ALJ also noted
 5 Plaintiff's ongoing work activity and work attempts, as well as medical records indicating
 6 Plaintiff's medication regimen for his mental health impairments would not impact his ability to
 7 work as a truck driver, were inconsistent with Plaintiff's alleged inability to work. AR 21, 113,
 8 227-28, 333, 365, 375-76. These were clear and convincing reasons, supported by substantial
 9 evidence, for discounting Plaintiff's testimony. See *Carmickle v. Comm'r of Soc. Sec. Admin.*, 533
 10 F.3d 1155, 1161 (9th Cir. 2008) (citing *Johnson v. Shalala*, 60 F.3d 1428, 1434 (9th Cir. 1995));
 11 *Parra v. Astrue*, 481 F.3d 742, 750-51 (9th Cir. 2007); *Molina v. Astrue*, 674 F.3d at 1113; *Bray v.*
 12 *Comm'r of Soc. Sec. Admin.*, 554 F.3d 1219, 1227 (9th Cir. 1995).

13 However, an evaluation of a claimant's credibility relies, in part, on an accurate assessment
 14 of the medical evidence. See 20 C.F.R. §§ 404.1529(c), 416.929(c). As discussed in Section I,
 15 above, the ALJ erred in evaluating the opinion evidence from Plaintiff's treating therapists,
 16 requiring remand. As this case must be remanded for further proceedings in any event, the ALJ
 17 should also reevaluate Plaintiff's credibility anew on remand.

18 III. Whether the ALJ erred in concluding Plaintiff did not meet a Listing.

19 Plaintiff asserts the ALJ erred in finding he did not meet or equal Listings 12.04B or
 20 12.04C. Dkt. 16, p. 1. At Step Three of the disability analysis, the ALJ must determine whether
 21 any of the claimant's impairments meet or medically equal an impairment listed under 20 C.F.R.
 22 Part 404, Subpart P, Appendix 1. 20 C.F.R. § 416.920(4)(iii). "If a claimant has an impairment or
 23 combination of impairments that meets or equals a condition outlined in the 'Listing of
 24

1 Impairments,’ then the claimant is presumed disabled at step three.” *Lewis*, 236 F.3d at 512. The
 2 claimant bears the burden of proving that his impairment meets a Listing. *See Tackett v. Apfel*, 180
 3 F.3d 1094, 1098 (9th Cir. 1999).

4 Listing 12.04 requires a finding that the claimant either satisfies: (1) the “paragraph B
 5 criteria” for mental impairments of two marked limitations in activities of daily living, social
 6 functioning, or concentration, persistence and pace, or one marked limitation and repeated episodes
 7 of decompensation, or; (2) the “paragraph C” requirement of repeated episodes of decompensation
 8 of extended duration, a residual disease process that has resulted in such marginal adjustment such
 9 that minimal increase in mental demands or changes in the environment would cause
 10 decompensation, or an inability to function outside of home or highly supportive living
 11 environment. *See* 20 C.F.R. Part 404, Subpart P, Appendix 1, § 12.04C. *See* 20 C.F.R. Part 404,
 12 Subpart P, Appendix 1, § 12.04B.

13 The ALJ found Plaintiff mildly impaired in his activities of daily living, and moderately
 14 impaired in social functioning, concentration, persistence, or pace. AR 15-16. As a result, the ALJ
 15 concluded plaintiff did not meet the requirements of paragraph B. AR 16. Additionally, the ALJ
 16 determined Plaintiff did not present evidence of decompensation necessary to satisfy paragraph C.
 17 However, these findings are inconsistent with the conclusions of Ms. Webb and Mr. Lehotay, who
 18 opined to marked and extreme limitations in all of the paragraph B criteria. As the ALJ failed to
 19 offer germane reasons for discounting Ms. Webb and Mr. Lehotay’s opinions, the ALJ’s findings
 20 at Step Three of the sequential evaluation are not supported by substantial evidence. *See, e.g.*,
 21 *Buchholz v. Barnhart*, 56 Fed.Appx. 773, 775 (9th Cir. 2003). Thus, on remand, the ALJ will be
 22 required to reevaluate the medical evidence and determine whether Plaintiff meets or exceeds the
 23 criteria for Listings 12.04B or 12.04C. *See id.*

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1 IV. Other Assignments of Error.

2 In addition to the foregoing, Plaintiff contends the ALJ erred by failing to properly assess
 3 Plaintiff's RFC, and by failing to properly evaluate Plaintiff's ability to perform other jobs existing
 4 in substantial numbers in the national economy at Step Five of the sequential evaluation process.

5 As discussed above, the ALJ erred by failing to properly evaluate the opinions of Ms.
 6 Webb and Mr. Lehotay. An ALJ's failure to properly evaluate all of the medical opinion evidence
 7 may result in a flawed RFC finding. *See* SSR 96-8-p, 1996 WL 374184 at *2. Thus, the ALJ will
 8 necessarily have to re-evaluate Plaintiff's RFC on remand, and proceed on to Steps Four and Five,
 9 as appropriate.

10 V. Whether the New Evidence Submitted to the Appeals Council Supports Reversal of
the ALJ's Decision

11 Plaintiff argues the Court should review additional psychological evidence submitted to the
 12 Appeals Council. Dkt. 16, p. 25. The additional evidence consisted of a psychological evaluation
 13 performed by David Morgan, Ph.D., on October 30, 2013. Dkt. 16, Exh.1. The Appeals Council
 14 reviewed the new submission, but elected not to consider the evidence or include it in the
 15 Administrative Record:

16 We also looked at a psychological/psychiatric evaluation dated October 30, 2013,
 17 completed by David T. Morgan, PhD. The Administrative Law Judge decided your
 18 case through July 24, 2013. This new information is about a later time. Therefore it
 19 does not affect the decision about whether you were disabled beginning on or
 before July 24, 2013.

20 AR 2. Plaintiff contends the Appeals Council's failure to include this information in the
 21 Administrative Record violated the Social Security Act, Social Security Regulations, precedent
 22 from *Brewes v. Comm'r of SSA*, 682 F.3d 1157 (9th Cir. 2012) and *Taylor v. Comm'r of Soc. Sec.*
 23 Admin., 659 F.3d 1228, 1231 (9th Cir. 2011), and procedures in HALLEX I-4-1-54. Plaintiff
 24 requests the Court determine the evidence relates back to the relevant time period and was

1 erroneously excluded by the Appeals Council. Plaintiff also contends the additional evidence
 2 shows the ALJ decision was not based on substantial evidence and reversal is required. Dkt. 16, p.
 3 25-27.

4 Sentence Six of 42 U.S.C. § 405(g) authorizes a reviewing court to remand a case to the
 5 Commissioner “upon a showing that there is new evidence which is material and that there is good
 6 cause for the failure to incorporate such evidence into the record in a prior proceeding.” 42 U.S.C.
 7 § 405(g); *See Melkonyan v. Sullivan*, 111 S.Ct. 2157, 2164, 501 U.S. 89 (1991).¹ In light of the fact
 8 the case is being remanded on other grounds, the Court need not decide whether Sentence Six
 9 applies, nor whether Plaintiff has demonstrated the necessary requirements for a remand under
 10 Sentence Six. However, the Court has reviewed Dr. Morgan’s report, and has concluded it
 11 constitutes new and material evidence which relates to the period at issue. *See* 20 C.F.R. §§
 12 404.970(b), 416.1470(b). *See also Taylor*, 659 F.3d at 1233. Therefore, on remand, the
 13 Commissioner is directed to reevaluate Dr. Morgan’s report.

14 VI. Whether the Case Should be Remanded for an Award of Benefits or Further
Proceedings.

15 Plaintiff conclusorily argues the case should be reversed and remanded for the award of
 16 benefits, rather than for further proceedings.

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 19 ¹ Neither party raised the Sentence Six issue. After determining the case potentially
 20 presented a Sentence Six issue, the undersigned ordered supplemental briefing on the following
 two questions:

- 21 • Whether Sentence Six of 42 U.S.C. § 405(g) applies to the evidence (Dr.
 22 Morgan’s opinion) submitted to the Appeals Council, but not included in the
 23 administrative record; and
- 24 • If so, whether Dr. Morgan’s opinion is new evidence which is material, and
 25 whether good cause exists for failing to incorporate the opinion into the record
 26 during a prior proceeding.

Dkt. 24.

1 Generally, when the Social Security Administration does not determine a claimant's
 2 application properly, "the proper course, except in rare circumstances, is to remand to the agency
 3 for additional investigation or explanation." *Benecke v. Barnhart*, 379 F.3d 587, 595 (9th Cir.
 4 2004) (citations omitted). However, the Ninth Circuit has established a "test for determining
 5 when [improperly rejected] evidence should be credited and an immediate award of benefits
 6 directed." *Harman v. Apfel*, 211 F.3d 1172, 1178 (9th Cir. 2000) (*quoting Smolen*, 80 F.3d at
 7 1292. This test, often referred to as the "credit-as-true" rule, allows a court to direct an
 8 immediate award of benefits when:

9 (1) the ALJ has failed to provide legally sufficient reasons for rejecting such
 10 evidence, (2) there are no outstanding issues that must be resolved before a
 11 determination of disability can be made, and (3) it is clear from the record that the
 12 ALJ would be required to find the claimant disabled were such evidence credited.

13 *Harman*, 211 F.3d at 1178 (*quoting Smolen*, 80 F.3d at 1292). See also *Treichler v.*
 14 *Commissioner of Social Sec. Admin.*, 775 F.3d 1090, 1100 (9th Cir. 2014), *Varney v. Sec'y of*
 15 *Health & Human Servs.*, 859 F.2d 1396 (9th Cir. 1988). Further, even if the ALJ has made the
 16 three errors under *Harman* and *Smolen*, such errors are relevant only to the extent they impact
 17 the underlying question of Plaintiff's disability. *Strauss v. Commissioner of the Social Sec.*
 18 *Admin.*, 635 F.3d 1135, 1138 (9th Cir. 2011). "A claimant is not entitled to benefits under the
 19 statute unless the claimant is, in fact, disabled, no matter how egregious the ALJ's errors may
 20 be." *Id.* (citing *Briscoe ex rel. Taylor v. Barnhart*, 425 F.3d 345, 357 (7th Cir. 2005)). Therefore,
 21 even if the credit-as-true conditions are satisfied, a court should nonetheless remand the case if
 22 "an evaluation of the record as a whole creates serious doubt that a claimant is, in fact, disabled."
 23 *Garrison*, 759 F.3d at 1021 (*citing Connett v. Barnhart*, 340 F.3d 871, 876 (9th Cir. 2004)).

24 Here, outstanding issues must be resolved. The record contains conflicting evidence
 concerning the degree and significance of Plaintiff's physical and mental impairments, as well as

1 outstanding questions concerning Plaintiff's credibility. Further, the limitations opined to by Ms.
2 Webb and Mr. Lehotay conflict with the more restrictive opinions rendered by several state
3 agency medical consultants. *See* AR 21, 71-100, 103-136, 393-94, 397-401, 483, 545. *See*
4 Section I, *supra*. Thus, there is insufficient evidence in the record to establish Plaintiff could be
5 found disabled as a matter of law. *See Harman*, 211 F.3d at 1180. *See also Treichler*, 775 F.3d at
6 1105-06. Therefore, the case should be remanded for additional proceedings.

CONCLUSION

8 Based on the foregoing reasons, the Court hereby finds the ALJ erred by failing to properly
9 evaluate the other medical source opinions of Ms. Webb and Mr. Lehotay. Therefore, the Court
10 orders this matter be reversed and remanded pursuant to sentence four of 42 U.S.C. § 405(g). On
11 remand, the ALJ should reevaluate all of the medical opinion evidence and other medical source
12 evidence, reevaluate Plaintiff's credibility, consider whether Plaintiff meets or exceeds the criteria
13 of a Listing at Step Three of the sequential evaluation, and proceed on to Step Four and/or Step
14 Five of the sequential evaluation as appropriate. In addition, the Commissioner should reevaluate
15 the newly-obtained opinion from David Morgan, Ph.D. (Dkt. 16, Exh. 1) to determine whether it
16 should be considered by the ALJ on remand. The ALJ should also develop the record as needed.
17 Judgment should be for Plaintiff and the case should be closed.

Dated this 31st day of March, 2016.

David W. Christel
David W. Christel
United States Magistrate Judge